

HOUSE BILL 3731
By Sargent

AN ACT to amend Tennessee Code Annotated, Section
56-7-314, relative to life insurance policies.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 56-7-314, is amended by deleting
subdivision (1) in its entirety and by substituting instead the following:

(1) Any organization described in §§501(c)(3) or (c)(4) of the Internal Revenue
Code of 1986, as amended;

SECTION 2. Tennessee Code Annotated, Section 56-7-314, is amended by deleting the
subdivision (3) in its entirety and by substituting instead the following:

(3) Any trust, partnership, limited partnership, limited liability company or other
legal entity recognized by the state of Tennessee, however formed, and approved in
writing as the beneficiary and irrevocable owner of the life insurance by an organization
described in subdivision (1) or (2) of this section. This section does not limit or abridge
any insurable interest existing on April 23, 1992, at common law or by statute.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring
it.